

ARTICLE 12830

RETIREMENT

CONTENTS

SUBARTICLE 1. GENERAL PROVISIONS

- 1-1 Employees Covered
- 1-2 Retirement Systems
- 1-3 Creditable Service
- 1-4 Eligibility for Retirement

SUBARTICLE 2. PROCEDURES

- 2-1 Computations of Annuities
- 2-2 Death Benefits
- 2-3 Designation of Beneficiary
- 2-4 Refunds
- 2-5 Applying for Retirement
- 2-6 Agency Filed Applications for Disability Retirement
- 2-7 Medical Documentation

## SUBARTICLE 1. GENERAL PROVISIONS

1-1. Employees Covered. All civil service employees are automatically covered under a retirement system except those excluded by law or regulation such as temporary employees.

1-2. Retirement Systems. There are two retirement systems: CSRS for those employees hired subject to a retirement system prior to 1 January 1984; FERS for those employees hired subject to a retirement system after 1 January 1984. It is also possible to have a combination of the two systems.

### 1-3. Creditable Service

a. Civilian Service. Credit is given for civilian service in the executive, judicial and legislative branches of the Federal Government.

b. Military Service. Full-time credit is allowed for honorable active military service except when the employee draws military retired pay not awarded under conditions permitting credit, or if performed after 31 December 1956 and social security benefits are payable. An employee or employee-annuitant who is receiving military retired pay which bars credit for military service may elect to waive the retired pay and have the military service added to the civilian service. An employee or employee annuitant may elect to make a deposit for military service performed after 31 December 1956 and have the military service added to the civilian service.

c. Unused Sick Leave. Days of unused sick leave are added to the length of service in computing the annuity for a CSRS employee retiring on an immediate annuity.

### 1-4. Eligibility for Retirement

a. General. All retiring employees must have completed at least five years of civilian Government service. The only exception is a FERS disability retirement which requires 18 months of service. In addition, the requirements listed below must be met.

b. Optional Retirement. An employee may retire optionally at age 62 with 5 years of creditable service, at age 60 with 20 years of creditable service, or at age 55 with 30 years of creditable service. FERS minimum retirement age (MRA) is 55-57, depending on birth year, with 30 years of creditable service. A FERS employee may also retire at MRA with 10 years of service; however, there is a 5 percent penalty for every year under age 62. Law enforcement officers, firefighters and others with at least 20 years of law enforcement or firefighter service may retire optionally at age 50. Air traffic controllers with at least 20 years of air traffic controlling service may retire optionally at age 50 or at any age with 25 years of air traffic controlling service.

c. Disability Retirement. To be eligible, a CSRS employee with 5 years creditable service or a FERS employee with 18 months creditable service must, while employed subject to the act, have become totally disabled for useful and efficient service in the position or any other position of the same grade or class; and the disease or injury which caused the disability must not be the result of vicious habits, intemperance, or willful misconduct on his or her part within the 5-year period immediately prior to becoming disabled.

d. Discontinued Service Retirement. An employee who is involuntarily separated from the service is entitled to an immediate annuity if the individual has attained age 50

and completed 20 years of creditable service; or, regardless of age, has completed 25 years of creditable service. The basic life annuity will be reduced by 1/6 of 1 percent (2 percent per year) for each full month under age 55 for CSRS employees. FERS employees have no age reduction. Involuntary separation is defined as any separation against the will and without the consent of the employee, other than separation for cause on charges of misconduct or delinquency.

e. Mandatory Retirement. Firefighters, law enforcement officers, and air traffic controllers with 20 years of specialized service are mandatorily separated at the end of the month in which age and service requirements are met: firefighters, age 55; law enforcement officers, age 57; air traffic controllers, age 56.

f. Deferred Retirement. An employee meeting the minimum requirements who is separated from the service for any reason or transferred to a position not subject to the civil service retirement system, but not eligible for an immediate annuity, is entitled to a deferred annuity to commence at age 62.

## SUBARTICLE 2. PROCEDURES

### 2-1. Computation of Annuities

a. Amount of Annuity. The amount of annuity is computed on the basis of length of service (including credit for unused sick leave for CSRS) and the high-three average salary. Any consecutive three-year period of service may be used to determine the highest three years of pay. Reductions are made in annuities for retirement before age 55 (with the exception of law enforcement officers, firefighters, air traffic controllers, disability retirees, and FERS employees), for failure to make deposit for non-deduction service or redeposit of money refunded, and for election of a survivor-type annuity.

#### b. General Formula

##### (1) CSRS

(a) Step 1 - Take 1-1/2 percent of the high-three average pay multiplied by five years.

(b) Step 2 - Add: 1-3/4 percent of the high-3 average pay multiplied by the number of years of service from 5 to 10.

(c) Step 3 - Add: 2 percent of the high-3 average pay multiplied by all service over 10 years, including unused sick leave.

##### (2) FERS

(a) Take 1 percent of the high-3 average pay for every creditable year worked if under age 62 when retiring.

(b) Take 1.1 percent of the high-3 average pay for every creditable year worked if age 62 and have 20 years or more creditable service when retiring.

#### c. Computations of Annuities for law enforcement officers and firefighters.

##### (1) CSRS

(a) Take 2-1/2 percent of the high-3 average pay multiplied by 20 years of law enforcement and/or firefighter service plus

(b) Two percent of the high-3 average pay multiplied by all service over 20 years.

(2) FERS

(a) Take 1.7 percent of the high-3 average pay multiplied by 20 years of law enforcement and/or firefighter service plus

(b) One percent of the high-3 average pay multiplied by all service over 20 years.

d. Computations of Annuities for air traffic controllers.

(1) CSRS. The general formula is used except that the annuity may not be less than 50 percent of the air traffic controller's average pay.

(2) FERS. The same as for firefighters and law enforcement officers.

e. Maximum Annuity. The basic annuity may not exceed 80 percent of an employee's high-3 average pay. However, annuity in excess of the 80 percent which is produced by crediting unused sick leave for CSRS employees only is payable.

f. Guaranteed Minimum Disability Annuity

(1) CSRS. An employee retiring for disability is guaranteed a minimum basic annuity amounting to the lesser of (1) 40 percent of the high-3 average pay or (2) the amount of an annuity obtained by using the general formula as shown above after increasing the service by the period from the date of separation to age 60. This guaranteed minimum applies only if the employee is under age 60 upon retirement, and if it is more than the annuity computed on the basis of actual service. Employees discharged on a disability retirement from the military service for any reason other than as a result of combat with an enemy during war are not entitled to the guaranteed minimum.

(2) FERS. An employee retiring for disability receives 60 percent of the high-3 average pay minus 100 percent of any social security disability award received for the first year and 40 percent of the high-3 average pay minus 60 percent of any social security disability award received to the age of 62. At age 62, annuity is recomputed using the regular formula and considering the years on disability retirement as creditable service years.

2-2. Death Benefits. There are two kinds of death benefits: (1) Survivor annuity and (2) lump-sum payment. Survivor annuities may be payable upon the death of an employee to a widow (or widower) and children. A lump-sum benefit may be payable upon the death of an employee if there is no one entitled to survivor annuity, or after the right of the last person entitled thereto has terminated.

2-3. Designation of Beneficiary. A designation of beneficiary is for lump-sum benefit purposes only, and does not affect the right of any person who qualifies to receive survivor annuity benefits.

2-4. Refunds. An employee who is separated or transferred to a position which is not under the civil service retirement system may apply for a lump-sum refund of his or her contributions. Receiving a refund will terminate entitlement to an annuity based on that service.

2-5. Applying for Retirement. An employee who wishes to apply for retirement or who is seeking detailed information concerning retirement benefits should be referred to HRSC.

2-6. Agency Filed Applications for Disability Retirement. An activity may file an application on behalf of an employee only when all of the following conditions are met:

- a. A decision to remove the employee has been issued;
- b. The cause for unacceptable performance, misconduct or attendance is due to disease or injury;
- c. The employee is institutionalized or deemed incapable of making a decision to retire; and,
- d. The employee has no personal representative or guardian and no family member willing to file on the employee's behalf.

2-7. Medical Documentation. It is the responsibility of the employee to furnish medical evidence in support of his or her voluntary application for disability retirement. For this purpose, medical documentation has the meaning given in Article 12339.